



TAX EXEMPT AND  
GOVERNMENT ENTITIES  
DIVISION

DEPARTMENT OF THE TREASURY  
INTERNAL REVENUE SERVICE  
WASHINGTON, D.C. 20224

201002047

OCT 20 2009

Uniform Issue List: 4971.02-00

SE:T:EP:RA:T2

LEGEND:

Company = \*\*\*\*\*

Plan X = \*\*\*\*\*

Dear \*\*\*\*\*:

This letter constitutes notice that pursuant to your request of August 28, 2009, waivers of the 100% excise tax under section 4971(b) of the Internal Revenue Code ("Code") for Plan X for the plan years ending December 31, 2002, December 31, 2003 have been granted to the Company.

The waiver of the 100% excise tax has been granted in accordance with section 3002(b) of the Employment Retirement Income Security Act of 1974 (ERISA). The amount for which these excise tax waivers have been granted is equal to 100% of the contribution which would otherwise be required to reduce the balance of the funding standard account to zero as of the end of each of the applicable plan years for which a waiver is granted to the extent such deficiency has not been corrected.

This company provides ship repair and other services to vessels out of the ports of \*\*\*\*\* . While the company continues to operate, the number of employees working at the Company has decreased from approximately 300 employees to 28. The Company has generated a profit in only one of the last five years and posted a large loss in 2008. As of 2008, the Company has a low level of cash on hand and a debt burden of over four times the company's level of assets. It is clear that this Company has been severely affected by the economic downturn of 2008 and 2009. The Company has shown through its submission of financial data that imposition of the section 4971(b) excise tax would be a substantial business hardship and would be adverse to plan participants as a whole.



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This ruling letter is directed only to the taxpayer requesting it. Code section 6110(k)(3) provides that it may not be used or cited as precedent.

We have sent a copy of this letter to the manager, EP Classification  
, and to the Manager, EP Compliance Unit in  
Additionally, pursuant to the power of attorney on file with this office, a copy of  
this letter ruling is being sent to your authorized representative. If you wish to  
inquire about this ruling, please contact \*\*\*\*\* (I.D. \*\*-\*\*\*\*) at (\*\*\*)\*\*-\*\*\*\*.  
Please address all correspondence to SE:T:EP:RA:T2.

Sincerely,

William Hulteng, Manager  
Employee Plans Technical

CC: \*\*\*\*\*  
\*\*\*\*\*  
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